

**PROPOSITION 102**  
**OFFICIAL TITLE**

**HOUSE CONCURRENT RESOLUTION 2028**

PROPOSING AN AMENDMENT TO THE CONSTITUTION OF ARIZONA; AMENDING ARTICLE IX, SECTION 7, CONSTITUTION OF ARIZONA; RELATING TO PUBLIC DEBT, REVENUE AND TAXATION.

**TEXT OF PROPOSED AMENDMENT**

Be it resolved by the House of Representatives of the State of Arizona, the Senate concurring:

1. Article IX, section 7, Constitution of Arizona, is proposed to be amended as follows if approved by the voters and on proclamation of the Governor:

7. Gift or loan of credit; subsidies; stock ownership; joint ownership

Section 7. Neither the state, nor any county, city, town, municipality, or other subdivision of the state shall ever:

1. Give or loan its credit in the aid of, or make any donation or grant, by subsidy or otherwise, to any individual, association, or corporation. ~~or~~

2. Become a subscriber to, or a shareholder in, any company or corporation, or become a joint owner with any person, company, or corporation, except: ~~as to such~~

(a) FOR OWNERSHIPS AND SECURITIES THAT ARE OBTAINED SOLELY FOR INVESTMENT AS AUTHORIZED BY LAW IN DIRECT CONSIDERATION FOR THE LICENSE OR TRANSFER OF AN INTEREST IN TECHNOLOGY OR INTELLECTUAL PROPERTY CREATED OR ACQUIRED BY THE ARIZONA BOARD OF REGENTS AND INSTITUTIONS UNDER ITS JURISDICTION.

(b) FOR ownerships ~~as~~ THAT may accrue to the state by operation or provision of law. ~~or~~

(c) As authorized by law solely for investment of the monies in the various funds of the state.

2. The Secretary of State shall submit this proposition to the voters at the next general election as provided by article XXI, Constitution of Arizona.

**ANALYSIS BY LEGISLATIVE COUNCIL**

The Arizona Constitution prohibits the state government from becoming a shareholder or joint owner in a company or corporation.

Proposition 102 would amend the Constitution to add an additional exception allowing the state to license or transfer interests in technology or intellectual property created or acquired by state universities or the Board of Regents in exchange for ownership interests and securities in a company or corporation. The ownership interests must be obtained only for investment as authorized by law.

**ARGUMENTS "FOR" PROPOSITION 102**

The Arizona Farm Bureau supports proposition 102: The Arizona Farm Bureau strongly supports our universities in the development of technology, research and potential for the creation of not only intellectual property, but allied infrastructures of business and commerce. We live in an era not necessarily contemplated when our constitution was drafted. Allowing the Arizona Board of Regents to have ownership in companies or corporations, **limited** to a result of an interest in technology or the creation of intellectual property, makes sense.

Vote YES on Proposition 102

*Kevin Rogers, President, Arizona Farm Bureau, Mesa*

*Jim Klinker, Chief Administrative Officer, Arizona Farm Bureau, Higley*

Paid for by "Arizona Farm Bureau"

**Valley Citizens League Says "Yes" to Proposition 102**

As one of the leading public policy and advocacy groups in the state, the Valley Citizens League strives to create positive solutions to the challenges facing Arizona.

One of the biggest challenges for Arizona's universities and start-up businesses is the inability of our public institutions to receive equity in companies that use the technology they develop. Because the constitution currently will not allow universities to accept stock as compensation for the right to commercialize university-developed technologies, Arizona is at a competitive disadvantage in the world marketplace.

Proposition 102 eliminates this challenge and places Arizona in the forefront of bringing technological advances to the consumer.

Proposition 102 helps establish an economic environment with more high paying high-tech jobs. In fact, technology jobs typically pay 50% more than the average private sector salary. These additional jobs will expand Arizona's tax base and further stimulate our economy.

By allowing our public universities to receive equity in businesses, university programs will have an additional funding source, leading to better educational opportunities for every Arizona student.

These benefits will not cost Arizona taxpayers anything.

Proposition 102 improves our business climate, helps create new jobs, brings new technologies to market, provides better education, and improves the lives of every Arizonan.

Arguments "For" Proposition 102

Please join with us - **VOTE YES ON PROPOSITION 102**

Thomas Chapman, President, Valley Citizens League,  
Phoenix

Ann Eschinger, Secretary, Valley Citizens League, Phoenix

Paid for by "Valley Citizens League"

Dear Fellow Arizonan,

Proposition 102 is crucial to Arizona's economic future, allowing us to be more competitive in the national and world economy. Technological breakthroughs in Arizona will become our state's success stories.

**Proposition 102 will benefit all Arizonans by helping create high-tech jobs that stay in Arizona.**

As a member of Congress, I support high-tech research and job creation at a local level. Our public colleges and universities are a great resource where much of this research is conducted. This often results in groundbreaking discoveries that have great commercial potential.

While Arizona universities are the source of many of these discoveries, it is too often other states that end up reaping the benefits. Smaller Arizona companies or start-ups can only afford the rights to take these innovative discoveries to market by offering their stock to the universities in exchange. This provides local businesses an economic environment in which to thrive. Many states allow this practice. Arizona does not, putting us at a huge disadvantage.

The bottom line is this: voting yes on Proposition 102 is a win-win situation. We will be able to create a stronger state economy, higher paying jobs and a better future for all Arizonans.

**Please join me in voting YES on Proposition 102.**

John McCain, Senator, Phoenix

Paid for by "Arizona Forward"

Dear Fellow Arizonan:

On this November's ballot, you will have the opportunity to Move Arizona Forward by voting yes on Proposition 102.

Proposition 102 permits Arizona's universities to receive stock in companies that license technology the universities develop. This will create an active partnership between our universities and the private sector, and stimulate the growth of high-tech businesses that have high wage jobs.

At no additional cost to Arizona taxpayers, Proposition 102 benefits our economy and provides additional funding for Arizona's universities. It also allows us to stay competitive with other states that already permit their universities to invest in companies that market their inventions.

Please join me in creating a better future for all Arizonans.

**Vote YES on Proposition 102**

Janet Napolitano, Governor, State of Arizona, Phoenix

Paid for by "Arizona Forward"

**Republican and Democrat Leaders Agree:**

**Proposition 102 Builds Arizona's Future**

As Republican and Democratic legislative leaders, we all agree on Proposition 102.

We urge our fellow Arizonans to join us in voting yes on this key piece of Arizona's economic and education future. We referred Proposition 102 to the ballot, because:

- **Proposition 102 helps build Arizona's future**, by providing an economic environment for new, cutting edge companies to start, grow, and succeed while creating the high paying jobs that come with them.
- **Proposition 102 encourages technological advances**, which will strengthen Arizona's economy through the high-tech and biotech industries.
- **Proposition 102 allows our public colleges and universities** to share in the success of their innovative discoveries.
- **Proposition 102** provides for Arizona's economic and education future at **no risk and no cost to taxpayers**.

A stronger Arizona economy. More Arizona jobs. Better Arizona colleges and universities. These are benefits every Arizonan should support.

**Please Vote YES on Proposition 102**

**Stronger Economy, More Jobs, Better Schools, and No Cost to Taxpayers**

Jake Flake, Representative, Speaker, Arizona House of  
Representatives, Snowflake

Ken Bennett, Senator, President, Arizona Senate, Prescott

John Lored, Representative, House Minority Leader,  
Arizona House of Representatives, Phoenix

Jack Brown, Senator, Senate Minority Leader, Arizona  
Senate, St. John's

Paid for by "Arizona Forward"



**Proposition 102: Jobs for Arizona’s Future**

Ballot propositions are written in legal language, ensuring they do precisely what they are meant to do. However, this can make them difficult to understand.

Here is exactly what Proposition 102 will do:

Proposition 102 will change a provision in our state constitution that prevents any part of Arizona’s state government from owning stock in private sector companies. Proposition 102 will instead allow state-owned universities to accept stock from these companies in exchange for the right to commercialize innovations and discoveries made by the school.

Proposition 102 involves no cost or risk to Arizona taxpayers. It makes a small change to the Arizona constitution, which will help create Arizona jobs, strengthen our economy, and help improve Arizona’s institutions of higher learning.

Across the country, the ability of small businesses and start up companies to exchange their stock for the right to use technology developed at public universities is an important tool in strengthening state economies and providing a non-tax funding source for higher education. Proposition 102 will not only help boost our economy by encouraging the creation of successful businesses, but it will allow the public to share in that success.

**VOTE YES ON PROPOSITION 102**

*Sharon Harper, Co-Chairman, Arizona Forward, Peoria*

*Rick Myers, Co-Chairman, Arizona Forward, Tucson*

Paid for by “Arizona Forward”

**University Presidents Urge YES on 102!**

Arizona is fortunate to have nationally recognized research universities whose scientific breakthroughs in health care, biotechnology, materials science, engineering, physics, environmental protection, and other key areas create significant economic benefits for our nation, state and communities.

Unlike in most other states, though, technology commercialization in Arizona is seriously limited. Other states allow businesses the flexibility to acquire rights to university-developed technology in exchange for stock or other equity interests in their companies, in addition to royalties or other cash payments. The Arizona Constitution restricts our universities from receiving equity interests from companies that want to commercialize discoveries from Arizona universities.

This means that small businesses and startup companies without the same cash resources as their larger competitors are at a competitive disadvantage as they seek to acquire university technology rights. It also means that cutting edge scientific and technological discoveries, many of which are commercialized by startup companies with limited resources, are delayed in getting to the marketplace. Some potential advances never get beyond the university.

To fix this problem, Arizona’s governor and state legislature worked together to place Proposition 102 on the ballot. Proposition 102 removes these Constitutional restrictions and authorizes Arizona universities and businesses to commercialize university-developed technology on a level playing field with other states.

A YES vote for Proposition 102:

- Makes the State of Arizona more attractive to high-tech companies.
- Allows technologies that are early in their development to be commercialized sooner.
- Provides a non-tax source of revenue to ASU, UA and NAU, which in turn strengthens each university’s teaching and research missions.
- Involves no risk or cost to taxpayers.

Please Join us in Voting YES on Prop 102!

*Michael Crow, President, Arizona State University, Paradise Valley*

*Peter Likins, President, University of Arizona, Tucson*

*John Haeger, President, Northern Arizona University, Flagstaff*

*Gary Stuart, President, Arizona Board of Regents, Phoenix*

Paid for by “Arizona Forward”

**A Stronger Educational System For A Better Arizona**

One of the goals I have as Superintendent of Public Instruction for Arizona is to ensure that every child receives the best education possible and is properly prepared to handle the rigors of college.

Students should begin their journey into the working world by receiving the finest education from our colleges and universities. In order to accomplish that goal, our public institutions of higher learning must be able to attract faculty and students of the highest quality. In today’s academic world, many scholars want to work and study at universities where their research has the greatest chance of being utilized in the real world. Proposition 102 helps ensure this for Arizona by promoting commercialization of inventions and discoveries at our universities.

Arizona’s universities must also be afforded the same funding sources as other states allow their universities. Over half the other states allow their universities to reap the full rewards from innovations for their universities and their taxpayers, while Arizona cannot.

For example, Stanford University is poised to raise an estimated 250 million dollars from its research contributing to the creation of Google, an Internet search engine. Arizona should be afforded similar opportunities.

Proposition 102 improves our education system by allowing universities to benefit from the commercialization of ideas

## Arguments "For" Proposition 102

that they and their professors invented. There is no cost and no risk to the taxpayers, and passage should produce a stronger and more vibrant education community.

Voting yes on Proposition 102 will help attract faculty and students to Arizona universities provide additional funding for more educational programs, keep those educated at the universities working in Arizona, and better prepare our children for tomorrow.

Please join with me in support of better education for our children.

**Vote YES on Proposition 102**

*Tom Horne, Superintendent of Public Instruction, Phoenix*

Paid for by "Arizona Forward"

### Proposition 102: A Stronger Economy with No Risk to Arizona Taxpayers

I wholeheartedly support Proposition 102. It ensures that research at our public universities can become useful to the citizens who pay for it, create new jobs, and strengthen our economy, allowing Arizona to successfully compete in the national and world marketplace.

An important component of Proposition 102 boosts our public universities by allowing the exchange of stock for the right to use technology developed by the universities.

As your state treasurer, I am keenly aware of any measure that may have a financial impact on taxpayers. Let me assure you, **Proposition 102 has no risk and no cost to Arizona taxpayers.**

It is rare when we have the opportunity to drastically strengthen our economy, improve education, create jobs, and better Arizona's future at no risk and no cost to taxpayers. That is why I urge you to join me in supporting Proposition 102 this November.

**VOTE YES ON PROPOSITION 102**

*David Petersen, State Treasurer, Mesa*

Paid for by "Arizona Forward"

### Firefighters Strongly Support Proposition 102

As Arizona Firefighters we are committed to protecting the people of Arizona. Our job is to fight fires and save lives. Why then do we care about Proposition 102 and the commercialization of university technology?

*We care about Proposition 102 because we care about Arizona's economy.* When our public universities can receive equity in start-up companies in exchange for technology they develop, this encourages new businesses creation here in Arizona. When these new companies prosper, more jobs are created, resulting in a better and more stable economy with no cost and no risk to the taxpayer.

*We care about Proposition 102 because we care about higher education.* When companies commercialize university discoveries, this creates additional funding for the schools. This attracts top-ranked faculty and staff and gives our children a better place to grow and learn.

*We care about Proposition 102 because we care about creating a stronger and more successful Arizona for our children.*

Join us in voting YES on Proposition 102.

**Join Firefighters in Supporting Arizona's Future**

**Vote YES on Proposition 102**

*Brian Tobin, President, Professional Fire Fighters of Arizona, Phoenix*

*Billy Shields, President, United Phoenix Fire Fighters Association, Phoenix*

*Pete Gorraiz, Executive Vice President, United Phoenix Fire Fighters Association, Cave Creek*

Paid for by "Arizona Forward"

### Proposition 102 Means More High Paying Jobs For Tucson

One of the greatest resources we have in Tucson is the University of Arizona. So much of our economic success is tied to the University's success. UA research and development of new medicines and lasers and many other technologies can become the products of new Tucson-area companies.

Proposition 102 will provide new opportunity for our community to prosper. It will also provide new funding sources for our public universities. It will do so at no cost and no risk to Arizona taxpayers.

This proposition will allow Arizona's public universities to receive equity in businesses that license and use the technology they develop. It will create an incentive for entrepreneurship. And it will spur the creation of new business in our community, bringing high-technology, high paying jobs to Tucson.

As Mayor of Tucson, I support measures that create more opportunity for the public and private sectors to work together. Other states have proven that these partnerships lead to economic growth and high paying jobs. That's what we need in Tucson.

I ask you to vote YES for Proposition 102 in November.

**New Partnerships, New Businesses, Better Jobs**

**Please Vote YES on Proposition 102**

*Honorable Bob Walkup, Mayor of Tucson, Tucson*

Paid for by "Arizona Forward"

### Proposition 102 Good for Arizona Hospitals

Hospitals depend on having the most up-to-date technological and medical advancements to treat patients and save lives. Arizona hospitals support Proposition 102 because it will help to get these advancements from the public universities, where they are discovered, to the patient's bedside where they can be used.

It is unfortunate that commercialization of potential medical, pharmaceutical, and technological breakthroughs discovered at Arizona's public research universities is often delayed because small and start-up businesses are prevented from exchanging their stock for the right to use university technology. From the patient's perspective, it is tragic that this means some necessary advancements might never see the light of day.

Proposition 102 will allow cutting-edge healthcare companies to get access to university-developed medical advancements, and turn them into the pharmaceuticals and technologies Arizona hospitals need to provide the best healthcare possible for our loved ones.

Better healthcare for everyone. Please support a healthier Arizona.

**VOTE YES ON PROPOSITION 102**

*John R. Rivers, FACHE, President and Chief  
Executive Officer, Arizona Hospital and Healthcare  
Association, Paradise Valley*

*John H. Harrington, Jr., FACHE, Chairman-Elect,  
Arizona Hospital and Healthcare Association,  
Phoenix*

Paid for by "Arizona Forward"

### Tech Transfer Equity Initiative Will Move Arizona Forward

Technology Transfer is the economic development tool that will make Arizona more competitive within its high-tech industry.

The Technology Transfer Equity Initiative will move innovative discoveries in technology from the labs of our public research universities to the open market. Arizona needs this tool in order to develop and attract the technology businesses that will boost our economy by creating high-paying jobs.

There are in excess of 160,000 high-tech jobs in Arizona. With an average salary of nearly \$55,000 per worker, they pay 77% more than the than the average private sector wage. The Technology Transfer Equity Initiative will not only help increase the total number of these well-paying jobs, but will stimulate our state's economy and make a brighter future for every citizen.

Please support the Technology Transfer Equity Initiative and the innovative technology that will be discovered in Arizona.

**Help Move Arizona Forward**

**Vote "YES" on the Tech Transfer Equity Initiative!**

*Todd Bankoffier, CEO, Arizona Technology Council,  
Scottsdale*

*Bob Hagen, Chair, Southern Arizona Tech Council, Tucson*

*Paul Johnson, Chair, Arizona Technology Council,  
Phoenix*

*Kirsten Cloutier, Treasurer, Southern Arizona Tech Council,  
Tucson*

Paid for by "Arizona Forward"

### Proposition 102 Turns Small Businesses Into Big Ideas

Small businesses are the cornerstone of Arizona's economy. New start-up companies add to our economic vitality and enable us to move forward in creating new business sectors and new economies in Arizona.

This cannot happen without Proposition 102, which would permit Arizona's public universities to receive stock from companies in exchange for the right to use technology developed by the universities.

Most other states are currently able to do this, which is placing Arizona at a competitive disadvantage for creating new businesses, attracting more quality researchers, and improving the quality of our universities.

For example, Stanford University is expected to receive an estimated \$250 million just from its commercialization of the search engine "Google." The University of Florida received \$60 million by allowing the private sector to use the technology for bone and tissue implants.

However, an outdated prohibition in Arizona's constitution makes it nearly impossible for small businesses and start-ups to access the innovative technology being developed by our public universities and put them to commercial use.

By voting yes:

- **Proposition 102** will make increased commercialization of bioscience, computing, environmental, optical, and other technology products possible.

## Arguments "For" Proposition 102

- **Proposition 102** will encourage the creation of high-paying jobs and stimulate Arizona's economy.
- **Proposition 102** will expand the tax base and provide additional support for university programs, with no tax increase and no risk to the taxpayer.
- **Proposition 102** will help bring innovative ideas to the marketplace, make a positive financial contribution to our economy, and improve the lives of every Arizona citizen.

### **We Urge You to Join Us in Building a Stronger Arizona Vote YES on Proposition 102**

*Rick Myers, President, Southern Arizona Leadership Council, Tucson*

*Francie Merryman, Chair, Greater Tucson Economic Council, Tucson*

*Jack W. Lunsford, President and CEO, WESTMARC, Phoenix*

*Jack Swanson, Chairman of the Board, Greater Phoenix Economic Council, Phoenix*

*William J. Post, Chairman, Greater Phoenix Leadership, Phoenix*

Paid for by "Arizona Forward"

*Steven Lynn, Chairman, Southern Arizona Leadership Council, Tucson*

*Steve Weathers, President and CEO, Greater Tucson Economic Council, Tucson*

*Hal DeKeyser, Chairman, Economic Development Committee, WESTMARC, Peoria*

*Rick Weddle, President and CEO, Greater Phoenix Economic Council, Phoenix*

*R. Thomas Browning, President, Greater Phoenix Leadership, Scottsdale*

## **Arizona Hospitals and Patients To Benefit from Proposition 102**

Throughout Sun Health's network of non-profit healthcare facilities and services, we understand that research and innovation in medicine, pharmaceuticals and medical techniques must continue in order for us to provide the most affordable, high quality service. Sun Health provides community health education and wellness programs and operates a school of nursing in affiliation with Mesa Community College. Our Sun Health Research Institute specializes in research and clinical trials for Alzheimer's and Parkinson's diseases.

Through the community's investment in research we collaborate extensively in research and development initiatives with Arizona's public universities that will ultimately result in medical advancements to improve our ability to prevent and treat diseases and save lives. By supporting Proposition 102, Arizonans will help to bring these advances in medical research, techniques and pharmaceuticals to the public more quickly.

### **VOTE YES ON PROPOSITION 102**

*Robert T. Root, PhD, Chairman of the Board of Directors, Sun Health and Sun Health Research Institute, Sun City*

*William C. Camp, Executive Vice President and Chief Operating Officer, Sun Health Research Institute, Scottsdale*

Paid for by "Sun Health"

## **Support Proposition 102**

Our public research institutions are making great advancements in cancer research, innovative medical treatments, and breakthroughs in gene therapy. Proposition 102 will help these discoveries make their way to health providers and ultimately the patients who need them most.

Recently, two University of Arizona microbiologists formed a new company based on university patented technology. The company's new technologies are aimed at aiding research on gene-based therapies, which involve introducing genes to produce specific proteins that fight cancer or other diseases at a cellular level.

Proposition 102 will make this type of symbiotic relationship possible for even more businesses and give the universities a source of non-tax funding at no cost and no risk to the taxpayer. Technology will then be developed and brought to the marketplace much more easily, leading to better treatment options and improved health for every Arizonan.

Please join us in supporting Proposition 102.

### **Making Medical Advancements A Reality**

### **VOTE YES ON PROPOSITION 102**

*Frank D. Alvarez, President & CEO, Tucson Medical Center, Tucson*

*Jack B. Jewett, Senior Vice President, Public Policy, Tucson Medical Center, Tucson*

Paid for by "Arizona Forward"

## **Arizona Needs Proposition 102**

Arizona has long been one of the fastest growing states in the country. Arizona's economic growth must correspond to the population explosion in order to keep competitive in the national and world marketplace. Proposition 102 will keep our state thriving as we move forward.

Proposition 102 permits Arizona's public research universities to receive equity in companies that use technology devel-

oped by them. This creates an environment in which public universities and the business community work together for a better tomorrow, while benefiting from each other's success.

Proposition 102 will help give birth to new companies locating to Arizona. New jobs will be created that typically pay more than the average Arizona salary. Our economic landscape will be brighter than ever.

Arizona needs the tools to spur an economy worthy of our growing population. Proposition 102 moves Arizona forward by helping establish new businesses, creating high-paying jobs, and improving the lives of every citizen.

Please join with me in supporting Proposition 102.

**Support Jobs. Support Economic Growth.**

**Please Vote YES on Proposition 102**

*Matt Salmon, Former Member of Congress, Phoenix*

Paid for by “Arizona Forward”

**Southwest Autism Research and Resource Center (SAARC) Supports Prop 102**

SAARC supports Proposition 102 because it is key to ensuring that Arizona has modern inventions, technology, and researchers, which will lead to cures for debilitating diseases.

According to the U.S. Department of Education and other agencies, an estimated 1.5 million Americans have some form of autism, and the incidence is increasing at an annual rate of 10-17 percent. Studies suggest that as many as 4 million people in the United States alone could be affected during the next decade.

In the hope of finding a cure for autism, SAARC is collaborating with Arizona's universities and TGen (the Translational Genomics Research institute) to conduct the most comprehensive genetic and molecular study of autism spectrum disorder ever.

Proposition 102 will strengthen research opportunities like this at our public universities at no taxpayer expense. Help the discoveries of today become the cures of tomorrow.

**Please join the families living with Autism in supporting Proposition 102**

**Vote YES on 102!**

*Denise D. Resnik, President of the Board, Southwest Autism Research & Resource Center, Paradise Valley*

*Kathy Hancock, Board Member, Southwest Autism Research & Resource Center, Phoenix*

Paid for by “Arizona Forward”

**Arizona Students Support Proposition 102**

As student leaders of the public universities, we represent thousands of students preparing for life after college. Many of us would like to begin our careers and build our lives in Arizona. But for that to happen, there must be strong career opportunities here in a variety of fields.

That is why we strongly support Proposition 102.

Arizona's public universities discover and develop exciting new technologies, many of which the private sector can turn into successful businesses. In other states, public universities are allowed to receive shares in companies that take their ideas to the marketplace. When these discoveries succeed, everyone in the community benefits, as the economy becomes stronger, new jobs are created, and the universities receive additional funding to offer a better education.

Unlike in most other states, public universities and start up businesses in Arizona do not have this economic tool. Proposition 102 is important because it will provide a way for our universities to share in the success of Arizona's leading edge technology businesses.

In November, please remember that Proposition 102 helps the students of today and tomorrow.

Ensure that Arizona will be a place for all of us to learn, grow, and succeed.

**Support Proposition 102, Vote YES**

*Sophie O'Keefe-Zelman, President, Undergraduate Student Government, Associated Students of Arizona State University, Tempe*

*Julie Johnson, Vice President, Undergraduate Student Government, Associated Students of Arizona State University, Tempe*

Paid for by “Arizona Forward”

Dear Voter:

The East Valley Partnership is a coalition of civic, business, educational and political leaders from Ahwatukee, Apache Junction, Carefree, Cave Creek, Chandler, Fort McDowell Yavapai Nation, Fountain Hills, Gila River Indian Community, Gilbert, Guadalupe, Mesa, Queen Creek, Salt River Pima Maricopa Indian Community, Scottsdale, Sun Lakes and Tempe. The Partnership actively advocates in areas such as economic development; education; transportation and infrastructure in the East Valley.

The East Valley Partnership believes that businesses of all sizes are essential to Arizona's economy. New start-up companies add to our economic vitality and enable us to move forward in creating new business sectors and new economies in Arizona. However, an outdated prohibition in Arizona's constitution makes it nearly impossible for small businesses and

## Arguments "For" Proposition 102

start-ups to access the innovative technology being developed by our public universities by prohibiting them to take ownership in companies. Most states are currently able to do this, which is placing Arizona at a competitive disadvantage for creating new businesses, attracting more quality researchers, and improving the quality of our universities. This cannot happen without Proposition 102, which would permit Arizona's public universities to receive stock from companies in exchange for the right to use technology developed by the universities.

By voting yes, Prop 102 will 1)make increased commercialization of bioscience, computing, environmental, optical and other technology products possible 2)encourage the creation of high paying jobs and stimulate Arizona's economy 3)expand the tax base and provide additional support for university programs, with no tax increase and no risk to the taxpayer and 4)help bring innovative ideas to the marketplace, make a positive financial contribution to our economy, and improve the lives of every Arizona citizen. The East Valley Partnership supports Proposition 102 and urges you to join us by voting YES on Prop 102.

*David K. Udall, Chairman, East Valley Partnership, Mesa*

*Roc Arnett, President, East Valley Partnership, Mesa*

Paid for by "Arizona Forward"

To Whom It May Concern:

Small businesses are the backbone upon which our economy is built. They provide countless job opportunities for our young people to have good careers here at home.

When small businesses start out, however, they do not have the same resources as more established companies. Consequently, in the technology sector, start up businesses across the country frequently offer stock, options, or other securities in exchange for the right to commercialize technology developed at research universities. But not at Arizona's universities.

A provision in Arizona's constitution prevents the universities from accepting equity in private companies. This means that small business and start up businesses that are ready and willing to commercialize technologies and discoveries made at our universities cannot do so.

Proposition 102 will change that.

To have an economy where jobs are abundant, there must be a strong relationship between our small business community and our public universities. Proposition 102 strengthens this relationship and establishes a business climate that promotes the creation of Arizona based companies that use cutting-edge technology.

The creation of these high-tech companies result in high paying, high-tech career opportunities in Arizona. Proposition 102 makes it more likely that companies will prosper, while allowing our public universities to share in our economic success.

Arizona small business cares about Arizona's future and Proposition 102 creates a "win-win" for Arizona. It creates jobs with no cost and no risk to the taxpayer!

Help give Arizona the economic tools to make that future better for every Arizonan. Please support Proposition 102 and vote yes.

VOTE YES ON PROPOSITION 102

*Thomas A. Fraker, Executive Director, Arizona Small Business Association, Scottsdale*

*Roger Beadle, President, Yuma Convention and Visitors Bureau, Yuma*

*Bill Weigile, President, Arizona Licensed Beverage Association, Tempe*

*Matt McMahon, Past Chairman, Arizona Restaurant and Hospitality Association, Scottsdale*

Paid for by "Arizona Forward"

## Arizona's Chambers of Commerce Support Proposition 102

New ideas lead to new businesses which result in new economic growth. It's a familiar process in places like California, Massachusetts, and Texas, where innovative technology developed by public universities have started hundreds of businesses and created thousands of new jobs.

But in Arizona, we are missing a vital part of the process. Our state constitution forbids public universities from holding stock in the companies they help create. Our universities are at a distinct disadvantage, as investors are less interested in beginning partnerships that may yield new discoveries.

Proposition 102 solves this problem by simplifying the process by which new technology is turned into new business, leading to increased prosperity for all of Arizona.

As Chambers of Commerce from across the state, we represent every sector of the business community. Proposition 102 is important for everyone who is interested in a stronger economy, better jobs, and a brighter future for Arizona.

**We Urge You to Vote YES on Proposition 102**

*C.A. Howlett, Chairman, Board of Directors, Arizona Chamber of Commerce, Scottsdale*

*James J. Apperson, President and CEO, Arizona Chamber of Commerce, Scottsdale*

*Steve Touche, Chairman of the Board, Tucson Chamber of Commerce, Tucson*

*John C. Camper, CCE, President, Tucson Chamber of Commerce, Tucson*

*Charlie Deaton, President and CEO, Mesa Chamber of Commerce, Mesa*

*Donna Eastman-Cochran, Williams Chamber of Commerce, Williams*

*Julia Brooks, Executive Director, Wickenburg Chamber of Commerce, Wickenburg*

*Lorraine Bergman, Chairman of the Board, Gilbert Chamber of Commerce, Gilbert*

*Anthony Valencia, Vice President and CFO, Arizona Hispanic Chamber of Commerce, Phoenix*

Paid for by “Arizona Forward”

*Jean Sullivan, Executive Director, Tombstone Chamber of Commerce, Tombstone*

*Ronald Luczak, Sedona*

*Mary Anne Moreno, Executive Director, Globe-Miami Regional Chambers of Commerce and Economic Development Corporation, Claypool*

*Harry Garewal, President and CEO, Arizona Hispanic Chamber of Commerce, Phoenix*

**ARGUMENTS “AGAINST” PROPOSITION 102**

Human cloning. Human genetic engineering. Public officials giving away taxpayer-funded property, potentially for personal gain. No public disclosure. This is the darker side of Prop 102.

The “gift clause” of Arizona’s Constitution prohibits public officials from giving away property paid for with taxpayer money or using taxpayer money to own, buy or control private companies. Under current law, products or patents from taxpayer-funded research must be sold or licensed, and the proceeds returned to the public. Prop 102 eliminates these restrictions.

Taxpayers should vote “NO” on Prop 102.

Public officials could create, buy, trade, and control private companies with taxpayer property. Legislation passed with Prop 102 (not shown on the ballot) ordered the books SEALED on these new “tech companies.” Financial, technical and other information normally available are CLOSED. We won’t know which public official or their cronies are profiteering from taxpayer-funded research!

“Tech transfer” is a misnomer; technology would not be transferred to the private sector. After Prop 102, the most valuable discoveries would never be sold, but “gifted”, without a public bid or auction, to companies controlled by public officials (or their cronies).

Prop 102 allows the 1997 Presidential Executive Order prohibiting federal funding of human cloning to be ignored. Public officials can create subsidiary “private” companies, supported by the profits of taxpayer research, to bypass the human cloning ban.

ASU is training the nation’s first genomics lawyers to defend cloning, genetic engineering and in-vitro fertilization cases. What type of research are they conducting that requires a school full of lawyers to protect them?

Prevent public officials from “gifting” taxpayer-funded technology. Prevent government from taking over private business. There’s no need to amend the gift clause in our Constitution. Vote NO on Prop 102.

*Robert Haney, Phoenix*

**BALLOT FORMAT**

**PROPOSITION 102**

**PROPOSED AMENDMENT TO THE CONSTITUTION  
BY THE LEGISLATURE**

**OFFICIAL TITLE**

HOUSE CONCURRENT RESOLUTION 2028  
PROPOSING AN AMENDMENT TO THE CONSTITUTION OF  
ARIZONA; AMENDING ARTICLE IX, SECTION 7,  
CONSTITUTION OF ARIZONA; RELATING TO PUBLIC DEBT,  
REVENUE AND TAXATION.

**DESCRIPTIVE TITLE**

PERMITS THE STATE TO BECOME A SHAREHOLDER OR  
OWNER OF SECURITIES OBTAINED SOLELY FOR  
INVESTMENT IN EXCHANGE FOR THE LICENSE OR  
TRANSFER OF AN INTEREST IN TECHNOLOGY OR  
INTELLECTUAL PROPERTY CREATED OR ACQUIRED BY  
THE ARIZONA BOARD OF REGENTS AND STATE-FUNDED  
UNIVERSITIES.

**PROPOSITION 102**

A "yes" vote shall have the effect of allowing the state to license or transfer interests in technology or intellectual property created or acquired by state funded universities or the Arizona Board of Regents in exchange for ownership interests and securities in a company or corporation.	<b>YES</b> <input type="checkbox"/>
A "no" vote shall have the effect of retaining the current prohibition on the state becoming an owner or shareholder in any company or corporation except in the case of ownerships that occur by law and from investments of state funds.	<b>NO</b> <input type="checkbox"/>

